

EMPLOYEE TRUST FUNDS

Budget Summary						FTE Position Summary				
Fund	2014-15 Adjusted Base	Request		2015-17 Change Over Base Year Doubled		2014-15	Request		2016-17 Over 2014-15	
		2015-16	2016-17	Amount	%		2015-16	2016-17	Number	%
GPR	\$216,600	\$205,400	\$173,200	- \$54,600	- 12.6%	0.00	0.00	0.00	0.00	0.0%
SEG	42,637,600	45,939,000	45,985,500	6,649,300	7.8	266.20	268.20	268.20	2.00	0.8
TOTAL	\$42,854,200	\$46,144,400	\$46,158,700	\$6,594,700	7.7%	266.20	268.20	268.20	2.00	0.8%

Major Request Items

1. STANDARD BUDGET ADJUSTMENTS

SEG	\$3,623,200
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Request adjustments to the base budget totaling \$1,791,200 in 2015-16, and \$1,832,000 in 2016-17. Adjustments are for: (a) turnover reduction (-\$473,500 annually); (b) full funding of continuing position salaries and fringe benefits (\$2,208,300 annually); (c) overtime (\$45,700 annually); (d) night and weekend differential (\$72,400 annually); and (e) full funding of lease and directed moves costs (-\$61,700 in 2015-16, and -\$20,900 in 2016-17).

2. MODIFICATIONS TO TIERING OF STATE HEALTH CARE PLANS

SEG	\$2,435,700
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Request \$1,187,200 in 2015-16, and \$1,248,500 in 2016-17, to permit a re-design of the current tiering of state health care plans, in order to allow health care plans and providers to be tiered not only on the basis of cost, but on the basis of health care outcomes. All of the requested funding would be provided as supplies and services funding. Estimated costs in 2015-16 would include: (a) \$775,000 for the creation of a data warehouse; (b) \$275,000 for data analysis and analytics; and (c) \$137,200 for dataset procurement. Estimated costs in 2016-17 would include: (a) \$1,023,500 for data analysis and analytics; and (b) \$225,000 for the continued creation of a data warehouse. The Department of Employee Trust Funds (ETF) estimates that this re-design of the current tiering of state health care plans would take five years, from 2014-15, through 2018-19. Employee Trust Funds estimates that this re-design could require an additional \$1.2 million annually during the 2017-19 biennium.

Under current law, state employees and employees of public authorities created by the state receive health care coverage under plans offered by the Group Insurance Board (GIB). In addition, certain local employers also may elect to participate in a health care plan offered by GIB. The offered health care plans are assigned to one of three tiers depending on the cost efficiency of the plan, and employee contributions are scaled to encourage use of the most cost

efficient plans (tier-1 plan). The intent of the request is to permit ETF to draw on a revised data set to calculate relevant measures from health plans, health care systems, and providers, to allow health plans, health care systems, and providers to be measured by both the quality of health care outcomes as well as by cost.

3. ACTUARIAL AUDIT AND IMPLEMENTATION OF NEW ACCOUNTING STANDARDS

SEG	\$365,000
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Request \$150,000 annually in supplies and services funding to permit ETF to comply with new accounting standards issued by the Governmental Accounting Standards Board (GASB). The GASB is recognized as the official source of generally accepted accounting principles (GAAP) for state and local governments.

In addition, request \$65,000 in one-time financing in 2015-16, to permit the Legislative Audit Bureau (LAB) pursuant to s. 13.94(1)(dc), to meet its obligation, at least once every five years, to contract for the performance of an actuarial audit of the Wisconsin retirement system. While the LAB oversees the audit, the cost of the audit is charged to ETF.